

Message Text

UNCLASSIFIED

PAGE 01 NEW DE 08301 241149Z

43

ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 TRSE-00 XMB-04

AID-05 /033 W

----- 024066

R 240952Z JUN 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 9406

UNCLAS NEW DELHI 8301

PASS OPIC

E.O. 11652: N/A

SUBJECT: COOLEY LOANS

REF: STATE 144453

1. EVEREST REFRIGERANTS 386-E-100

ON APRIL 24, 1975 WE HAD WRITTEN TO THE BORROWER TO PAY RS. 291,843.75 (INSTALLMENT OF PRINCIPAL AND INTEREST DUE ON APRIL 1, 1975) WITHIN 30 DAYS FAILING WHICH AID WILL BE COMPELLED TO LOOK TO ITS REMEDIES BOTH UNDER THE SUBJECT LOAN AGREEMENT AS WELL AS UNDER THE GUARANTY AGREEMENT BETWEEN BANK OF BARODA AND AID. COPY OF THIS LETTER WAS FORWARDED TO BANK OF BARODA. IN REPLY, THE BORROWER STATED THAT HE WILL MAKE THE PAYMENT OF THE ABOVE AMOUNT IN THREE INSTALLMENTS - RS. 100,000 BY END OF MAY, RS. 100,000 BY END OF JUNE, AND BALANCE BY END OF JULY. AS PROMISED, THE BORROWER HAS PAID TWO INSTALLMENTS OF

RS. 100,000 EACH. THE BORROWER ALSO INFORMED US THAT HIS MAIN PRODUCT ALUMINIUM FLOURIDE HAS NOW BEEN DECONTROLLED BY THE GOI, THEREFORE HE IS LIKELY TO SHOW BETTER FINANCIAL RESULTS DURING THE CURRENT YEAR.

WE ALSO MET WITH THE MANAGING DIRECTOR OF BANK OF BARODA AND EXPRESSED TO HIM OUR CONCERN ABOUT THE BORROWER'S BAD FINANCIAL CONDITION AND THE POSSIBILITY OF OUR CALLING THE GUARANTY IN
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NEW DE 08301 241149Z

CASE THE BORROWER FAILS TO MAKE THE PAYMENTS ACCORDING TO THE

REVISED SCHEDULING. WE WERE INFORMED THAT BANK OF BARODA WOULD SHORTLY INITIATE A TECHNICAL-FINANCIAL REVIEW OF THE BORROWER AND WOULD LIKE TO DISCUSS THIS MATTER WITH US IN EARLY JULY.

2. SEMI CONDUCTORS 386-E-140

WE DO NOT ANTICIPATE ANY SIGNIFICANT PROBLEM IN GETTING THE PAYMENT OF INTEREST.

3. YORK-INDIA 386-E-146

THE GUARANTY AGREEMENT FROM ACC HAS BEEN PENDING FOR RESERVE BANK OF INDIA (RBI) APPROVAL UNDER FOREIGN EXCHANGE REGULATION ACT. ACC IS VIGOROUSLY FOLLOWING UP WITH RBI. HOWEVER, THE BORROWER HAS PAID THE ENTIRE DELINQUENT INTEREST AND PRINCIPAL INSTALLMENT OF RS. 150,000 DUE ON APRIL 1, 1975 UNDER THE PROPOSED REVISED RESCHEDULING. THE OUTSTANDING BALANCE IS NOW RS. 750,000, WHICH UNDER THE PROPOSED REVISED RESCHEDULING IS TO BE PAID BY THE BORROWER IN FIVE SEMI-ANNUAL INSTALLMENTS OF RS. 150,000 EACH DUE ON APRIL 1 AND OCTOBER 1. SCHNEIDER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COOLEY LOANS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NEWDE08301
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750218-1185
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750621/aaaaatbi.tel
Line Count: 81
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 144453
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 28 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 FEB 2003 by PhilliR0>; APPROVED <11 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COOLEY LOANS
TAGS: EGEN, IN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006